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ABSTRACT

Four policy papers delineate a progressive family policy for the 1990s that makes the family central among social issues and children central in families. An extensive introduction delineates the split between leaders' and ordinary citizens' views on the family and provides a summary of the papers. The first paper offers an economic review of the condition of the American family that analyzes the increased economic stresses on American families and gives particular attention to the economic problems of one-parent families. The second paper draws on a body of social science literature that shows that, for reasons that go beyond the economic, intact families are better for children than one-parent families. The third paper builds on the data presented in the previous papers to discuss six elements of a progressive family policy: (1) restore the children's tax exemption; (2) create a nonpoverty minimum wage; (3) reform divorce laws; (4) promote parental responsibility; (5) make the workplace accommodate needs of families; and (6) develop alternatives to foster care. It is argued that the family is both an economic and a moral unit, and neither economics nor values taken by themselves can provide an adequate basis for family policy. Governmental programs cannot fully substitute for healthy families and should not try to. But government should work to stabilize families and increase their child rearing capacity. To meet these goals requires the provision of substantial resources. (RH)

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Putting Children First: A Progressive Family Policy for the 1990s

by
Elaine Ciulla Kamarck
and
William A. Galston
with essays by
Robert J. Shapiro and Margaret Beyer

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--John Stuart Mill

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Putting Children First:
A Progressive Family Policy for the 1990s

Introduction

by

Elaine Ciulla Kamarck and William A. Galston

In a single generation, a revolution in the American family has been accomplished. From Ozzie and Harriet to the Simpsons, from one breadwinner to two, from child-centered nuclear families that stayed together for the sake of the children to the struggling one-parent families of today; the revolution in the American family has affected us all. Divorce rates have surged, and child poverty has risen alarmingly. The signs are everywhere around us that America's children are suffering--economically, educationally and emotionally.

Today we stand at a crossroads. We are just beginning to understand the full range of costs that society bears when families raise children less effectively. We need a progressive child-centered family policy that both acknowledges new realities and affirms enduring values; a policy that recognizes that two-earner families are frequently necessary--and that two-parent families are usually best.

The path to such a policy has been obstructed by the polarized political reaction to the revolution in the American family.[1] Most liberals talk about the economic pressures on families and neglect family values; most conservatives talk about the values and neglect the economics. Liberals tend to reach for bureaucratic solutions even when they are counterproductive; conservatives tend to reject government responses even when they would work. Both are wrong. Traditional conservatives' support for families is largely rhetorical; their disregard for new economic realities engenders a policy of unresponsive neglect--expressed for example, in President Bush's misguided veto of the Family Leave Act. Conversely, traditional liberals' unwillingness to acknowledge that intact two-parent families are the most effective units for raising children has led them into a series of policy cul-de-sacs.

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[1] For this important insight we are indebted to Senator Daniel Patrick Moynihan. After delineating the differing approaches of liberals and conservatives, he says, "Surely each group is seeing part of the truth and can find common ground in accepting one another's perceptions." *Family and Nation* (San Diego: Harcourt, Brace and Jovanovich, 1987), p. 189.

In staking out a third position we begin with an understanding of what government can and cannot do. Public programs cannot fully substitute for healthy families and should not try. Instead, government should work to stabilize families and to enhance their child-rearing capacity. In so doing, government will have to provide substantial resources. But at the same time it must minimize bureaucratic cost, complexity, and intrusion, working instead to broaden individual choice and opportunity.

The purpose of the following essays is to place the family at the center of our thinking about social issues and children at the center of our thinking about the family. We present policies that support and compensate families as they carry out their critical social role--providing for the economic and moral well-being of children. As we will see, a large body of evidence supports the conclusion that in the aggregate, the intact two-parent family is best suited to this task. Making this premise our point of departure takes us towards policies that *reinforce* families and away from bureaucratic approaches that seek to *replace* family functions.

To avoid misunderstanding, we want to make it clear that a general preference for the intact two-parent family does not mean that this is the best option in every case. Nor does it mean that all single-parent families are somehow dysfunctional; that proposition would diminish the achievements of millions of single parents who are struggling successfully against the odds to provide good homes for their children. Our point is that at the level of statistical aggregates and society-wide phenomena, significant differences do emerge between one-parent and two-parent families, differences that can and should shape our understanding of social policy.

Cultural Change and Family Values

The American people are far from uncritically welcoming the changes the past generation has wrought in our family life. On January 21, 1990, the *The Washington Post* published the results of its nationwide inquiry into the public mood. The title: "Introspective Electorate Views Future Darkly." The thesis: the public believes America is in decline for many reasons, chief among them "moral decay." The public's prime explanation of moral decay: "The breakdown of the family."

These worries are hardly the product of an overheated public imagination. While out-of-wedlock births have reached historically high levels, U.S. divorce rates have skyrocketed over the past thirty years and now stand at levels two to three times that of other advanced industrial nations. Of every 100 children born today,

25 will be born out of wedlock, and only 41 will reach the age of 18 living continuously with both parents.

Economic and work-related stresses on families have become familiar topics of discussion. Less familiar (at least to policy discussions) are the cultural and moral challenges confronting contemporary American families. It is with these challenges that we begin.

Over the past few years, Barbara Whitehead has illuminated public reactions to family issues through a series of one-on-one and focus group discussions with a cross-section of middle-class parents. Her overall finding is that there are two languages of the family; one is the official language, spoken by experts, politicians, the media, academicians, and other opinion leaders. The second is family language and it is spoken by ordinary citizens. The first language is the language of economics and politics; the second is the language of culture and values. The first is self-consciously relativistic while the second is unabashedly judgmental:

> In the official debate, . . . the remembered past is almost always considered a suspect, even unhealthy, guide for the present or the future. . . . these memories harken back to what the official language is pleased to term the 'mythical' or 'nostalgic' family of the past--a sentimental fiction that blinds us to the real challenges of modern life.
>
> But the mothers and fathers I met do not hesitate to look back at their own childhoods. And in a majority of cases, they report that, compared to today, families then were stronger, children better off, and neighborhood and community life far more supportive of family well-being. In the official language, the family isn't getting weaker, it's just 'changing'. Most parents I met believe otherwise.[2]

The reasons for this belief are not hard to identify. Americans for the most part are tolerant of individual and group differences, and they do not want to impose their views on others.

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2 Barbara Whitehead, "The Family in an Unfriendly Culture," *Family Affairs*, Summer/Fall 1990.

But they do have moral convictions, strongly held, and deeply rooted in our country's cultural heritage. And they regard many family changes of the past generation as violations of these convictions.

With regard to the family, these views go something like this. A primary purpose of the family is to raise children, and for this purpose families with stably married parents are best. Sharply rising rates of divorce, unwed mothers, and runaway fathers do not represent "alternative life styles." They are rather patterns of adult behavior with profoundly negative consequences for children.

The character of the family, these Americans believe, is the key to raising children successfully. Families have primary responsibility for instilling traits such as discipline, ambition, respect for the law, and respect for others--a responsibility that cannot be discharged as effectively by auxiliary social institutions such as public schools. This responsibility entails a sphere of legitimate parental authority that should be bolstered--not undermined--by society. It requires personal sacrifice and delay of certain forms of gratification on the part of parents. But this responsibility can be fulfilled, even in the face of daunting odds. Generations of Americans have proved that economics and social hardships are compatible with strong families raising competent children--and that such families are the key to overcoming these hardships.

This, then, is the core of average Americans' moral understanding of the family. But these same Americans do not, for the most part, see contemporary society as supportive of this understanding. On the contrary, they see their efforts to transmit moral values to their children counteracted by many of our society's most powerful forces. In sum, they are experiencing not only an economic squeeze, but also a cultural squeeze.

Two principal objects of parental concern are rampant materialism and the dominance of the media. As Barbara Whitehead expresses these concerns:

> This surfaces as parents talk about the pressure on their grade-school children to buy $65 Reeboks and $45 stone-washed jeans. . . . they are losing the struggle pass on their values to their children--losing it to an aggressive and insidious consumer culture. In their eyes, their children are no longer acquiring an identity at home as much as they are attempting to buy one in the marketplace.[3]

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[3] Ibid.

Other evidence suggests an even broader parental indictment: of a society that seems unable to control drugs, that cannot even guarantee its children's physical security in school and on the way to it, that fails to reinforce discipline and high standards, that emphasizes instant gratification over working for the future.[4]

In the long run, there is simply no substitute for moral education that effectively conveys values such as delay of gratification and respect for law to the next generation of children. While institutions such as the public schools have a role to play in fostering values, it is one of reinforcing--not replacing--the family. History confirms what common sense suggests: stable families are the most effective teachers of the values needed for a healthy liberal democratic community.[5]

Throughout this report we reject not only the relativism of the "official" discussion, but also the thesis that questions of family structure are purely private matters not appropriate for public discussion and response. The consequences of family failure affect society at large. We all pay for systems of welfare, mental and physical disability, criminal justice and incarceration; we are all made poorer by the inability or unwillingness of young adults to become contributing members of society; we all suffer if society is unsafe and divided and if our children are poorly educated.

There is a fundamental distinction between social institutions and practices that affect only the consenting parties and

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[4] On school and personal security issues, see especially Karl Zinsmeister, "Growing Up Scared", *The Atlantic*, June 1990, pp. 49-66. One consequence of this cultural squeeze was graphically illustrated in a recent Rand Corporation study. Contrary to conventional wisdom, it turns out that during the late 1980s more than two-thirds of those charged with drug dealing in the District of Columbia actually held legitimate full-time jobs with hourly compensation averaging $7--twice the prevailing minimum wage. Rather than being a response to desperation born of unemployment and economic deprivation, drug dealing was a "lucrative form of moonlighting" designed to support expensive patterns of consumption. For example, the typical drug dealer reported spending more money on clothes than on housing or food--on average $275 per month or $3300 per year! The authors of the report draw the obvious conclusion: in these circumstances, even the creation of jobs paying three times the minimum wage would hardly dent the problem. See Elsa Walsh, "Most D.C. Drug Dealers Hold Regular Jobs, Report Finds," *The Washington Post*, July 11, 1990, A1.

[5] An article by E.J. Dionne, "Everyone Agrees: Children Need to Be Taught Strong Values," *The Washington Post Weekly Edition*, July 16-22, 1990, p. 33, illustrates how difficult it is for the public sector to become involved in the teaching of values.

those that affect everyone else. Society has a right to scrutinize institutions and practices that have pervasive consequences and, where possible, to reshape them in light of its collective goals.

This suggests that there is a deep difference between families with children and those without them. In families without children, principles of individual freedom and choice are clearly most appropriate since the actions of these families affect the vital interests of their immediate members only. In contrast, families with children are engaged in activities with vast social consequences. Society may then be justified in treating these two types of families quite differently in the structure of law and policy--an approach that we delineate in Part Two of this paper.

A Progressive Family Policy

We have begun with a discussion of culture and values. But we do not intend to neglect the changing role of women in the home and the economic forces behind that change. In 1970 29 percent of women with children under the age of 5 were in the paid labor force; by 1988 that number had risen to 51 percent, a 77 percent change in 18 years.[6] For better or worse, the new reality for most American families is that two earners are now needed to maintain even a modest middle-class way of life and, as Barbara Whitehead has documented, with the economic benefits comes a sense of increasing stress brought about by decreased time available for family life.[7]

Thus we begin our discussion of the family with an economic review of the condition of the American family presented by PPI economist Dr. Robert Shapiro. He analyzes the increased economic stresses on all American families with particular attention to the economic problems of one-parent families. In the second essay of Part One we draw on a body of social science literature showing that for reasons that go beyond the economic, intact families are better for children.

Part Two of this paper builds on the data presented in Part One and presents six elements of a progressive family policy. Two underlying purposes unite these proposals. The first is to provide critical resources to any family unit involved in the important job of raising children, particularly single-parent families

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[6] House of Representatives, Select Committee on Children, Youth and Families, *U.S. Children and Their Families: Current Conditions and Recent Trends*, 1989, (Washington, D.C.: U.S. Government Printing Office, 1989), p. 77.

[7] Whitehead, Op. cit.

experiencing the greatest stress. The second is to reduce the stresses that contribute to family breakup in the first place, in the hope that more sensible public policy can free families to perform their critical social role. The six elements of a progressive family policy are summarized below.

Restore the children's exemption. In 1948, the United States had a *de facto* family allowance--a personal income tax exemption that helped offset the costs of raising a child. Since then, however, the value of the exemption has eroded. In order to restore the previous relationship between the size of the exemption and the cost of child-rearing, we propose raising the personal exemption for middle- and low-income families from the current $2,000 to between $6,000 and $7,500 per young dependent. This change, in addition to a change in the tax filing status for single-parent families and a cut in payroll tax rates, should help ease the economic burden on families.

Create a non-poverty working wage. Many of America's working poor do not earn enough to pay taxes, and thus would not benefit from the package of tax cuts described above. To address their plight, we endorse the Progressive Policy Institute's call for a "guaranteed working wage" that would ensure that no family with a full-time worker would have to live in poverty. That can be accomplished by expanding the Earned Income Tax Credit and tying it to the number of dependents in the home.

Reform Divorce Laws. We believe changes in divorce laws are necessary to put children first and to reflect the reality that the economic position of women and children after divorce has been deteriorating. We also seek to toughen and federalize laws on child support payments and to explore the notion of introducing "braking" mechanisms for parents considering divorce.

Promote parental responsibility. We favor experiments under way in several states that are intended to underscore parents' obligations to ensure the health, education, and good behavior of their children. Also, we recommend compulsory treatment for pregnant women who use drugs.

Make the workplace "family friendly." The private sector also has a critical role to play in helping families trying to balance work and child-rearing. To attract and hold valued employees, businesses should seek to accommodate working parents with family leave policies, flexible work schedules and, where feasible, child care services. We support legislation to establish a uniform family leave policy.

Develop alternatives to foster care. America's foster care system is in shambles, plagued by multiple placements that inflict grave damage on children. Dr. Margaret Beyer, a clinical psychologist, advocates an alternative: early prevention strategies that target troubled families before children must be removed from their homes.

Our approach to family policy is distinctly non-bureaucratic but it is not cheap. The primary emphasis is on doing what the government can do best--alleviating the economic stresses brought on by raising children in the hope that reducing these stresses will help preserve families intact. But this approach has a normative component as well: in return for substantial governmental assistance, parents are expected to shoulder responsibility for their children. The family must take responsibility for education, discipline, and values; and parental financial and moral obligations persist even if marital ties are dissolved.

Part One
The Family Under Economic Stress
by
Robert J. Shapiro

The impersonal dynamics of the national economy have produced a new dilemma for American families: after decades of steady and substantial economic gains, median family income stopped growing in the 1970s and 1980s.[1] The overall growth of the economy in these years does not prepare us for what happened to family incomes. Since 1973, the nation's real Gross National Product has grown by about 50 percent. Moreover, from 1973 to 1988, *per capita* personal income rose by nearly 30 percent after inflation--respectable gains, though only about half as great as those over the preceding 15 years.[2]

Yet the median family income, adjusted for inflation, was no higher in 1988 than it was in 1973, recording zero real net growth in 15 years. Even the *average* family income, which better reflects the large economic gains made by the very affluent, has grown since 1973 at an annual rate of just one percent. By contrast, from 1959 to 1973, the average American family income rose by nearly 2.9 percent a year, or triple the rate since 1973.[3]

What happened? The entire economy and *per capita* income grew because more Americans went to work, especially more women and more mothers, and because more Americans worked longer hours, especially women and mothers. But the extra workers and the extra hours were not enough to raise the median family income, because the weekly wages that most people earned were declining, once inflation was accounted for. Even counting the value of wage supplements--mainly health insurance and employer's share of social security--working Americans, on average, were barely better off at the end of the week in 1989 than they were in 1973.[4]

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[1] The author would like to express his appreciation for the assistance of Erik Prochnow, recently of the Progressive Policy Institute and now at the University of Bonn.

[2] *Economic Report of the President*, February 1990, (Cited below as *Economic Report*), (Washington, D.C.: Government Printing Office), Tables C-1, C-23.

[3] *Economic Report*, Tables C-3, C-30; *Current Population Reports, Series P-60, No. 167 Trends in Income* (Washington, D.C.: Bureau of the Census, April 1990), Table 10.

[4] Average real weekly earnings for non-supervisory workers--80 percent of the workforce--fell 16 percent from 1973 to 1989; in 1977 dollars, from $198.41 to $166.52. See *Economic Report*, Table C-44. Total real compensation was less

In retrospect this result was not surprising, since the economy's overall productivity was growing at a snail's pace. There are many reasons why the average American paycheck stopped growing, but probably the largest single factor was that the economy nearly stopped making productivity gains, year by year.

Years of slow income growth have left all but the most affluent families hostage to serious economic pressure. The cost of the middle-class American dream--a private house, an average-priced car, health care coverage, and college education for the children--is outstripping the earning capacity of the average two-parent, two-earner family.

Home ownership poses the greatest difficulty, especially for young families. University of Maryland economist Frank Levy, a leading scholar of contemporary family income developments, has calculated that a 30 year old in the 1950s could carry the payments for a typical house with 14 percent of his gross income; by 1984 a median-priced house would claim 44 percent of the gross income of the average 30-year-old.[5] Similarly, the average costs of owning and operating a car, of sending a child to college, and of covering out-of-pocket medical expenses all take more of a typical family's income today than in 1970.[6]

Along with the costs of housing, transportation, education and health care, an average family's tax burden has also risen. Combining state and local taxes, the federal income tax and the share of social security taxes paid directly by workers, about 25 percent of the median family income will go to taxes this year, as compared to 23 percent in 1970 and only 14 percent in 1960. Counting both the employer and employee shares of the payroll tax, the average American family will pay more than 32 percent of its income this

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than 6 percent higher in 1989 than in 1973; see *Economic Report*, Table C-46. Since 1973, U.S. productivity has grown at an annual rate of about one-half of one-percent--less than one-fourth the rate in Western Europe and less than one-fifth the rate in Japan.

[5] *Dollars and Dreams, The Changing American Income Distribution*, (New York: Russell Sage Foundation, 1987), p. 68.

[6] For instance, the average price of a new car came to 35% of median family income in 1970; today it comes to 48%; a year at a private college in 1970 came to less than 28% of the median family income, while today it comes to about 38%; and out-of-pocket medical expenses rose from 4.7% of median income in 1980 to 5.6% in 1988.

year in taxes.[7] (This burden alone provides a compelling argument for the package of tax cuts advocated in Part Two of this report.)

What's left? After spending 25 percent of their income on taxes, 44 percent on housing, 5.6 percent for health care, and another 8.6 percent for transportation, the typical 30-year-old parents have 17 percent left to cover all the bills for food, clothing, school--not even considering the possibility of setting something aside for savings or a vacation, or for the small things that bring a little more happiness to most families' lives.

Squeezed by these pressures, most young families have learned to cope by foregoing owning their own homes; older families who already were home owners have learned to scrimp in other areas. And nearly everyone has adopted two additional strategies for the 1980s and 1990s: borrow more, especially with credit cards; and try not to compare your own economic progress with that of your parents.[8] More important still, the slowdown in the growth of family incomes has been accompanied by two fundamental changes in the organization of the family: not only has there been a huge increase in the numbers of working wives, but American families also have been having fewer children. In short, the typical family has learned to cope with the nation's meager income gains in the 1970s and 1980s by generating two incomes and by having fewer people to support, while going deeper into debt.

It is important to notice that these coping strategies are self-limiting. Once a family reaches its credit limit, it cannot borrow more. Similarly, once both parents are on the job, no one else is left to send to work. And after parents stop having children at one or two, they cannot further reduce the number of persons they have to support.[9]

Moreover, behind the general slowdown in U.S. income gains lie two sharply distinct classes of families, distinguished not so much by whether the family has one earner or two as by whether

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[7] See Robert J. Shapiro, "The Tax Fairness Index: Who Pays for the National Government," (Washington, D.C.: Progressive Policy Institute, Policy Report No. 6, July 1990.)

[8] Outstanding consumer credit, including auto loans, soared from $191 billion in December 1973 to $739 billion in December 1988; adjusted for inflation, total consumer debt increased 56%. On a per household, inflation-adjusted basis, consumer credit grew by more than 17% from 1973 to 1988, by which time the average American household was carrying consumer debt of $7,852. For aggregates, see *Economic Report*, Table C-75.

[9] I am indebted for this insight to Robert Reischauer, now director of the Congressional Budget Office, and Joseph Minarik, currently executive director of the Joint Economic Committee of the U.S. Congress.

there are two parents present or one (the single parent typically being a woman). The average income of female-headed families was equal to 35 to 45 percent of the average income of married-couple families the same age, regardless of whether the measure is taken for 1973 or 1984 or 1987. In contrast, two-parent families in which the wife did not work had average incomes equal to 67-to-87 percent of that of married couples of the same age in which both did work, measured in the same years. In fact, the incomes of families headed by young women aged 15-24 are so low that in 1987, the last year for which complete data are available, they averaged barely 20 percent more than the poverty line for a family of two and substantially below the poverty line for a family of three.[10]

The slowdown in income gains clearly has hit young families the hardest. The average family headed by a worker age 15 to 24 actually earned less in 1987 (in real dollars) than its counterpart in 1973, while those headed by older workers were slightly better off than their counterparts 15 years earlier.[11] But even among young workers, intact families have higher incomes. For example, while as a group all families headed by young people earned less in 1987 than their counterparts in 1973, two-parent families headed by persons aged 15-to-24 earned 2 percent more in 1987 than their earlier counterparts. Similarly, all families headed by 25-to-34 year olds in 1987 earned just 2.4 percent more, on average than their counterparts in 1973 while the married couples in this group gained 9 percent over their counterparts in 1973.[12]

It is no exaggeration to say that a stable, two-parent family is an American child's best protection against poverty. As David Ellwood has observed, "[t]he vast majority of children who are raised entirely in a two-parent home will never be poor during childhood. By contrast, the vast majority of children who spend time in a single-parent home will experience poverty."[13] In 1984, for example, the poverty rate for single-parent families, before government transfer payments, was nearly 50 percent; the

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[10] *Money Income of Households, Families and Persons in the United States*, (Washington, D.C.: Current Population Reports, Bureau of the Census, Series P-60, 1973), cited below as *Money Income;* 1973: Table 25; 1984: Table 16; 1987: Table 17.

[11] The average income of all families headed by 15-to-24-year-olds, adjusted for inflation, was 8.3 percent lower in 1987 than in 1973; in families headed by 25-to-34-year-olds, real average income was 2.4 percent higher in 1987 than in 1973. See *Money Income*, 1973: Table 25; *Money Income*, 1987: Table 17.

[12] *Money Income*, 1973: Table 25; 1987: Table 17.

[13] *Poor Support* (New York: Basic Books, 1988), p. 46.

comparable figure for two-parent families was 15 percent. Moreover, 73 percent of all American children growing up in single-parent households experience poverty at some point during their first ten years of life, as compared to only 20 percent of children living in two-parent families. And while only 2 percent of the children in two-parent families experience persistent poverty of seven years or more, fully 22 percent of the children living in single-parent households will do so.[14]

Restoring broad access to the American dream in the 1990s will require changes in both economic behavior and economic policy. There are limits to what government can do to reinforce stable families, but it certainly can help to alleviate the economic pressures. It is still possible to imagine that family incomes will grow rapidly again if the federal government, along with American public and private businesses, forsake their habits of consuming and borrowing almost without limit and adopt instead a regime of saving and investing. The federal government also can do its part by relieving the tax burden on middle-class families.

The alternative is more years of slow growth and economic pressure on American families, as the vast increase in single-parent families leaves more and more parents and children hostage to economic stress.

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[14] *Ibid*, pp. 83-84.

Beyond Economic Security
by
Elaine Ciulla Kamarck and William A. Galston

Introduction

If the economic effects of family breakdown are clear, the psychological effects are just now coming into focus. As Karl Zinsmeister summarizes an emerging consensus, "There is a mountain of scientific evidence showing that when families disintegrate children often end up with intellectual, physical, and emotional scars that persist for life. . . . We talk about the drug crisis, the education crisis, and the problems of teen pregnancy and juvenile crime. But all these ills trace back predominantly to one source: broken families."[1]

As more and more children are reared in one parent families, it becomes clear that the economic consequences of a parent's absence (usually the father) may pale beside the psychological consequences--which include higher than average levels of youth suicide, low intellectual and educational performance, and higher than average rates of mental illness, violence, and drug use.[2]

Nowhere is this more evident than in the longstanding and strong relationship between crime and one-parent families. In a recent study Douglas Smith and G. Roger Jarjoura found that "Neighborhoods with larger percentages of youth (those aged 12 to 20) and areas with higher percentages of single-parent households also have higher rates of violent crime." The relationship is so strong

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[1] "Raising Hiroko" *The American Enterprise*, March/April 1990, p. 53.

[2] On youth suicide see: K.D. Breault, "Suicide in America: A Test of Durkheim's Theory of Religious and Family Integration, 1933-1980," *American Journal of Sociology*, Vol. 92, 1986, pp. 651-652; and John S. Wodarski and Pamela Harris, "Adolescent Suicide: A Review of Influences and the Means for Prevention," *Social Work*, 32, 1987, pp. 477-484. On low intellectual and educational attainment see Sheila Fitzgerald Krein and Andrea H. Beller, "Educational Attainment of Children From Single-Parent Families: Differences by Exposure, Gender and Race," *Demography*, Vol. 25, No. 2, May 1988, pp. 221-234; Robert W. Blanchard and Henry B. Biller, "Father Availability and Academic Performance among Third Grade Boys," *Developmental Psychology*, Vol. 4, No. 3, 1971, pp. 301-305; Donald E. Carter and James A. Walsh, "Father Absence and the Black Child: A Multivariate Analysis," *The Journal of Negro Education*, Vol. XLIX, No. 2, 1980, pp. 134-143; and Marybeth Shinn, "Father Absence and Children's Cognitive Development," *Psychological Bulletin*, Vol. 85, No. 2, 1978, pp. 295-324. On drug usage see Ted L. Napier, Timothy J. Carter, and M. Christine Pratt, "Correlates of Alcohol and Marijuana Use Among Rural High School Students," *Rural Sociology*, Vol 46, No. 2, Summer 1981, pp. 319-332.

that controlling for family configuration erases the relationship between race and crime and between low income and crime. This conclusion shows up time and time again in the literature; poverty is far from the sole determinant of crime.[3]

The disastrous social consequences of family disintegration for the perpetuation of poverty and other pathologies associated with the very poorest of the poor in our inner cities is well known and constitutes a critical area for new policy approaches in and of itself. But these problems are not the primary focus of this paper, although we do offer one policy approach for extremely poor families in Part Two of this report.

While the scarcity of intact families in the ghetto is largely a function of the failure of families to form in the first place, in the larger society the central problem is family disintegration, caused primarily by divorce. This pervasive phenomenon has effects--especially in the area of education--that are independent of economics. It is to these studies that we now turn.

Psychological and Educational Consequences of Family Disintegration

In 1981, John Guidubaldi, then president of the National Association of School Psychologists, picked a team of 144 psychologists in 38 states, who gathered long-term data on 700 children, half from intact families, the other half children of divorce. Preliminary results published in 1986 showed that the effects of divorce on children persisted over time and that the psychological consequences were significant even after correcting for income differences. The results also indicated that during grade school years, boys were significantly less able than were girls to cope with divorce, in large measure because divorce almost always means disrupted relations with the father rather than with the mother.[4]

The problems engendered by divorce extend well beyond vanishing role models. Children need authoritative rules and stable schedules, which harried single parents often have a hard time supplying. As Guidubaldi puts it, "One of the things we found is that

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[3] Douglas A. Smith and G. Roger Jarjoura, "Social Structure and Criminal Victimization," *Journal of Research in Crime and Delinquency*,"Vol. 25, No. 1, February 1988, pp. 27-52. Actual quote p. 40.

[4] Judy Mann, "Tracking the Broken Homers", *The Washington Post*, October 10, 1986, Section B, p. 3. For a fuller discussion see: John Guidubaldi, H.K. Cleminshaw, J.D. Perry, B.K. Nastasi and J. Lightel, "The Role of Selected Family Environment Factors in Children's Post-Divorce Adjustment," *Family Relations*, Vol. 35, 1986, pp. 141-151.

children who had regular bedtimes, less TV, hobbies and after-school activities--children who are in households that are orderly and predictable--do better than children who [did] not. I don't think we can escape the conclusion that children need structure and oftentimes the divorce household is a chaotic scene."[5]

The results of the Guidubaldi study have been confirmed and deepened by Judith Wallerstein's 10-year study of sixty middle-class divorced families. Among her key findings:

> o Divorce is almost always more devastating for children than for their parents. . . .
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> o The effects of divorce are often long-lasting. Children are especially affected because divorce occurs during their formative years. What they see and experience becomes a part of their inner world, their view of themselves, and their view of society...
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> o Almost half the children entered adulthood as worried, underachieving, self-deprecating, and sometimes angry young men and women. . . .
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> o Although boys had a harder time than girls, suffering a wider range of difficulties in school achievements, peer relationships and the handling of aggression, this disparity in overall adjustment eventually dissipated. . . .
>
> o Adolescence is a period of grave risk for children in divorced families; those who entered adolescence in the immediate wake of their parents' divorces had a particularly hard time. The young people told us time and again how much they needed a family structure, how much they wanted to be protected, and how much they yearned for clear guidelines for moral behavior.[6]

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[5] Ibid.

[6] Judith S. Wallerstein and Sandra Blakeslee, *Second Chances: Men, Women and Children a Decade After Divorce* (New York: Ticknor and Fields, 1989), pp. 297-299.

Given the profound psychological effects of divorce, it is hardly surprising to discover what teachers and administrators have known for some time: at the root of America's declining educational achievement is the disintegrating American family. Ever since *A Nation At Risk* was published and America had to confront the fact that its children were not learning well, public criticism has been directed at the educational establishment--at teachers, principals, and school bureaucracies. The first response to the crisis was to spend more money. In the mid-1980s public spending per pupil in the United States increased dramatically and yet, at the end of the decade, test scores registered absolutely no gains.[7] In their widely acclaimed study of American schools, John Chubb and Terry Moe use a sophisticated model of all the factors that could influence student achievement and conclude that "school economic resources do not influence student achievement independently or directly. . . . When other relevant factors are taken into account economic resources are unrelated to student achievement."[8]

As we begin a new decade, the next response to the continuing crisis in educational achievement is a frenzy of educational restructuring. But if we continue to neglect the crisis of the American family we will undercut current efforts at educational reform. Chubb and Moe have made an important contribution to our understanding of these problems by proving that the organization of a school has an independent effect on student achievement. Nevertheless, even they admit that school organization is not as important in predicting achievement as is the family background of the student.[9]

There is nothing new about this conclusion. Ever since James S. Coleman and his co-authors published their seminal study on this topic nearly a quarter century ago, research has consistently reinforced the importance of family background for student achievement.[10] There is an overwhelming body of data suggesting that "the hidden curriculum of the home," which consists largely in

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[7] Peter Brimelow, "American Perestroika," *Forbes*, May 14, 1990.

[8] *Politics, Markets and America's Schools* (Washington D.C.: The Brookings Institution, 1990), p. 128.

[9] *Ibid*, Chapter 4.

[10] James S. Coleman et al., *Equality of Educational Opportunity* (Washington, D.C.: Department of Health, Education and Welfare, 1966). See also Krein and Beller, *op. cit.*

the development of language skills, is directly related to children's later success in school.[11]

One example can be found in a study conducted by Dr. Harold Stevenson of the University of Michigan. He and his colleagues concluded their study of 5,000 children in the United States, Japan, and Taiwan as follows: "Our national education problem lies not only in American schools, but in American homes. The average American family does not take the responsibility to provide the informal introduction to reading and mathematics that you find in other countries."[12] Their conclusion is based on the fact that American first graders began falling behind their Asian peers *by the fifth month of first grade*--a point at which it is much too early for good or bad teaching to make such a significant difference.

The importance of early family learning is the focus of a new and very popular program called HIPPY (an acronym for Home Instruction Program for Pre-School Youngsters). Based on an Israeli model, the program was pioneered in Arkansas and Missouri. It involves parents, in the home, in the early education and teaching of their pre-school children.[13]

Untangling just what it is about family structure that makes for high or low educational achievement is a difficult task. Clearly the economics of the family has a great deal to do with achievement; children from poor families consistently do less well than do children from non-poor or well-to-do families. Nevertheless, income is clearly not the whole story. When studies control for income, significant differences in educational achievement appear

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[11] Dr. Samuel G. Sava of the National Association of Elementary School Principals says, "Researchers estimate that by the time they enter kindergarten, children have recognition vocabularies--the number of words they understand--ranging from 4,000 words at the low end to 12,000 words at the high end. This range has nothing to do with children's intelligence: it reflects only the number of words they have heard at home. Because reading and writing are nothing more than learning to use the straight and curved lines that humans have invented to represent speech, this three to one discrepancy gives the children of articulate parents an enormous advantage over their less fortunate classmates--before either group walks in the schoolhouse door." From "Rescuing a Generation: Second Thoughts on 'Having It All'," a speech to the National Association of Elementary School Principals in San Antonio, Texas, April 9, 1990.

[12] Ibid. The study referred to is "Making the Grade--School Achievement in Japan, Taiwan and the United States," (Stanford, California: Annual Report of the Center of the Advanced Studies in the Behavioral Sciences, 1983), pp. 41-51.

[13] Thomas C. Hayes, "The Home Front: Programs for Parents as Children's First Teacher," *The New York Times*, August 5, 1990, Education Supplement, pp. 33-34.

between children from single-parent families and children from intact families. (See Footnote number 2.)

The following table is drawn from a study conducted under the auspices of the National Association of Elementary School Principals and the Institute for Development of Educational Activities. It shows that family background has an important effect on educational achievement above and beyond income level--especially for boys. Lower income girls with two parents, for instance, score higher on achievement tests than do higher income boys with one parent. At the very bottom of the achievement scale are lower income boys with one parent.[14]

Mean Group Achievement Rankings of Students Based on Family Income, Child's Sex, and Number of Parents.

	Number of Cases	Mean
Higher Income Girls with Two Parents	(5,088)	1.701
Higher Income Girls with One Parent	(683)	1.537
Higher Income Boys with Two Parents	(5,309)	1.517
Lower Income Girls with Two Parents	(748)	1.421
Higher Income Boys with One Parent	(761)	1.350
Lower Income Boys with Two Parents	(808)	1.283
Lower Income Girls with One Parent	(537)	1.235
Lower Income Boys with One Parent	(559)	1.197

Total Sample, 14,493; Grand Mean, 1.533.

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[14] Sally Banks Zakariya, "Another Look at the Children of Divorce," *Principal Magazine*, September 1982, p. 35. See also, R.B. Zajonc, "Family Configuration and Intelligence," *Science*, Vol. 192, April 16, 1976, pp. 227-236. In a later and more methodologically sophisticated study, the authors try to define more completely what it is about two parent families that make them better at preparing students for educational success. Income clearly stands out as the most important variable; but the close relationship between one-parent status, lower income, and lack of time for things like homework help and attendance at parent teacher conferences--to name a few of the variables considered--led the authors to say that "the negative effects of living in a one-parent family work primarily through other variables in our model." Ann M. Milne, David E. Myers, Alvin S. Rosenthal and Alan Ginsburg, "Single Parents, Working Mothers, and the Educational Achievement of School Children," *Sociology of Education*, 1986, Vol. 59 (July), p. 132.

This relationship between family structure and academic achievement yields dramatic policy consequences. If one parent families do a poorer job for *whatever* reason--lower income, less time for child-rearing, absent fathers--at nurturing good students than do two-parent families, it is not surprising that student achievement has fallen dramatically during a period when families have been falling apart. In the last decade schools have introduced many innovations in order to cope with the problems that children are bringing with them into the classroom. But in the end government will never have the resources or the ability to replace what children lose when they lose supportive families. This suggests that the focus of public policy should be to look for ways to create *stable* families, not *substitute* families.

PART TWO

A Progressive Family Policy for the 1990s

by

Elaine Ciulla Kamarck and William A. Galston

Introduction

The following proposals stem from the proposition that the government, in particular the federal government, is very good at sending out checks to those who qualify and at collecting taxes on income earned through wages. Local governments can provide emergency help and programs for individuals and families under acute stress and should be given the fiscal flexibility that will allow for true innovation. Government at all levels can provide educational and job opportunities.

Government cannot, however, under any set of conditions provide the kind of nurturance that children, particularly young children, need. Given all the money in the world, government programs will not be able to instill self-esteem, good study habits, advanced language skills, or sound moral values in children as effectively as can strong families. Many of those in the best position to see the effects of family breakdown--educators--have responded to the family crisis with an admirable array of before- and after-school programs and curricula designed to do everything from bolstering self-esteem to teaching abstract values. But in the end, government cannot replace the family, nor should it try.[1]

Thus the six elements of a family policy outlined below emphasize the goal of family preservation. For middle-class families we propose a package of tax cuts which include a substantial increase in the personal exemption for young children and elderly parents, for the working poor we propose an increase in the Earned Income Tax Credit; for the poorest of the poor we advocate early family preservation strategies; and for all families we advocate reform of

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[1] A similar conclusion is reached by other students of the social welfare state. Alan Wolfe has written a book in which he shows that at some point, the expansion of the welfare state tends to erode family responsibility and solidarity: "The moral issues involved in the new welfare state are more serious than at first was realized. The Scandanavian welfare states, which express so well a sense of obligation to distant strangers, are beginning to make it more difficult to express a sense of obligation to those with whom one shares family ties. The irony of this development may be that as intimate ties weaken, so will distant ones, thus undermining the very moral strengths the welfare state has shown." *Whose Keeper? Social Science and Moral Obligation* (Berkeley: University of California Press, 1989), p. 142.

divorce laws, reinforcement of parental responsibility, and the creation of "family friendly" workplaces.

Increasing the Personal Exemption

America is the only country among eighteen rich democracies in the world that does not have a family allowance or some other sort of government subsidy per child.[2] Western European countries recognize that nurturance has great societal value. From 18 month maternity leaves in Sweden to children's allowances in France, these societies have acknowledged that there are some things that only families can do and that if families are placed under so much stress that they can not raise children effectively, the rest of society cannot make up the difference in later years.

The United States used to have a form of family allowance; we just did not call it that. In 1948 there was a pro-family government policy based on a simple notion: the government should not tax away that portion of a family's income that is needed to raise children. According to Eugene Steuerle, the economist who has done the most thorough work on this topic, the 1948 personal exemption was $600 and median family income was $3,187.[3] This meant that a family of four at median income paid a miniscule 0.3 percent of their income in federal income taxes compared to today's 9.1 percent.[4]

We believe that a primary goal of our tax policy should be to bolster families who are raising children. The real value of today's personal exemption of $2,000 is far less than it was in 1948. Erosion of the personal exemption began in 1964 when Congress adopted a policy of increasing the minimum standard deduction but not the personal exemption. The result over time has been, in Steuerle's words, that "tax-exempt levels for households without dependents have been moving closer and closer to tax-exempt levels for households with dependents."[5]

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[2] See Harold L. Wilensky, "Common Problems, Divergent Policies: An 18-Nation Study of Family Policy," *Public Affairs Report* (Berkeley, California: Institute of Governmental Studies, May 1990), pp. 1-3.

[3] "The Tax Treatment of Households of Different Size," in *Taxing the Family*, edited by Rudolph G. Penner, (Washington, D.C., American Enterprise Institute, 1984), p. 76.

[4] *Ibid;* and Robert J. Shapiro, "The Tax Fairness Index: Who Pays for the National Government", (Washington, D.C.: Progressive Policy Institute Policy Report, July 1990), p. 4.

[5] Steuerle, *op. cit.*, p. 78.

By itself the effect of this erosion of the value of the exemption would not have contributed much to the current parenting crisis but, as we saw in Robert Shapiro's essay in Part One, it coincided with slow growth in family incomes. Hardest hit by this conjunction of changes in the economy and tax policy have been the children of middle class and moderate income people whose only income is derived entirely from wages.

The United States has ignored the real economic burdens of the middle class family in the seventies and eighties. To reverse decades of neglect we propose a substantial increase in the personal exemption of dependents only--from the current $2,000 per dependent to somewhere between $6,000 and $7,500 per dependent--a number more in keeping with the real costs of raising a child in today's world.

How do we arrive at the value of this "children's exemption"? Simply adjusting for inflation would put the 1948 personal exemption near $3,000. But the best way to decide on the appropriate level is to use not only a measure of inflation but a measure that takes into account both the rising costs of raising a child (in its first year at least) and the growth in real incomes. *American Demographics* put the cost of a baby in its first year in 1990 at $5,774.[6] That same publication put the cost of a baby in its first year in 1958 at $800. Whether coincidental or not, the personal exemption in 1958 was very close to the actual cost of raising a new baby in that year. When economists try to match the value of the 1948 personal exemption for today's families they come up with estimates between $6,000 and $7,500 per dependent--numbers which are coincidentally, close to the actual first year cost of raising a child in 1990.[7]

An across-the-board increase in the personal exemption would be an extraordinarily expensive proposition. Had the $6,000 personal exemption been in effect for all dependents in 1990 it would have cost the government a whopping $43 billion dollars. To be affordable as well as effective, the increase in the personal exemption must be crafted and targeted carefully.

First, an increase in the personal exemption need not apply to children of all ages. The day care crisis is, after all, a crisis

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[6] "Cost of Living, Year One," *The New York Times*, December 31, 1989.

[7] Larry Lindsay in *The Growth Experiment*, (New York: Basic Books, 1990), p. 222, estimates that the personal exemption would need to be $6,000 per child today to keep the same value it had in 1948, and Eugene Steuerle estimates that it would need to be closer to $7,500 to be as valuable to today's families as it was to 1948 families.

that is most acute for pre-school children. Child psychologists and parents of very young children can attest to the fact that young children do not do well in group settings where the ratio of children to care givers is very high. The optimal form of day care for very young children--one full-time care giver--is extremely expensive and therefore out of reach for all but the most well-to-do families. A larger personal exemption, limited to young children, would allow the federal government to do away with all day care expenditures and tax credits that are not targeted specifically to poor children or to children with special needs (such as the handicapped or the mentally retarded). But as children get older (and certainly by the time of elementary school), the need for one-on-one care diminishes, the children spend a portion of their day in school, and before- and after-school day care programs become economically feasible for most parents and socially as well as educationally productive for children.

Thus, for reasons of effectiveness as well as cost, the personal exemption should be retained at its current level for all non-elderly dependents except young children. Families with young children should receive a larger "children's exemption." Limiting the personal exemption of $6,000 to children under age four significantly reduces its cost, to about $10 billion. Alternatively, the Joint Committee on Taxation estimates that a personal exemption of $4,000 for children under age five, phased down to the ordinary level by age 8, would cost the federal government $2.8 billion in 1991, $5.7 billion in 1992, and a total of $27.1 billion in the years 1991-1995.[8]

Second, we should be careful to avoid the mistakes of past attempts at family policy, whereby the tax code ended up subsidizing the well-to-do. (Originally day care credits were given to all families regardless of income.) This would give us the worst of all possible worlds: tax breaks for families who don't need them and insufficient benefits for families who do need them.

Our proposal, therefore, would be to begin phasing the $6,000 exemption per young dependent back down to the current $2,000 at some point near double median income (around $64,000 per year) so that very well-to-do families receive only the current $2,000 exemption for their dependents.[9]

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[8] Letter, Ronald A. Pearlman, Joint Committee on Taxation, June 12, 1990.

[9] Note: Very high income taxpayers already lose the benefits of their personal exemption. Arthur Andersen and Co., *Tax Reform, 1986, Analysis and Planning*, p. 30.

But even the creation of a larger children's exemption will not decrease the federal tax burden on median income families with children to desirable levels. One reason is the enormous increase in the payroll tax used to finance social security. As the Progressive Policy Institute has argued, these increases have hit average income families the hardest. Thus any change in the personal exemption needs to be coupled with a significant decrease in payroll tax rates.[10]

These steps will aid not only two-parent families, for whom the extra money might make it more feasible for one parent to stay home full time with small children, but they will also aid single parents who must work and who need help with the costs of day care. But there is another piece of tax law that must be changed to aid single parents. The tax code currently provides three filing statuses: single, married and head of household. The latter is designed for single parents and is taxed at a rate which, as Larry Lindsey points out, is "roughly midway between those applied to single filers (which are higher) and those applied to married couples (which are lower). This makes no sense for, as Lindsey argues, "Single-parent families have nothing in common with single people and everything in common with other families."[11] Single parent families should have the same tax rate as married couple families.

These three steps, taken together, would move us toward the goal of giving parents greater choice. The mother who is forced to go back to work for economic reasons is as much a prisoner as the mother of an earlier era who was forced to stay at home for reasons of social pressure. Working mothers will have more money under this plan to pay for the kind of day care that every parent wants. For mothers or fathers who want to take some time off to be at home, this package of tax changes may help lighten the economic burden, especially when there are two or more young children at home.

And finally, nurturance has value to society not only at the beginning of life but at the end of life. In the last three decades our society has made enormous strides in the care of our elderly citizens. In fact, our elderly now have the lowest poverty rate of any age group in society. But this has come at an economic cost which--via Medicare--threatens to throw the federal government even

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[10] See Robert J. Shapiro, op. cit. and "1986 Tax Reform, The Sequel: Cutting Social Security Tax Rates Without Increasing the Deficit," (Washington, D.C.: Progressive Policy Institute, Economic Outlook, No. 5, May 14, 1990.)

[11] Lindsey, *op. cit.*, p. 223.

deeper into debt and at a social cost: loneliness and isolation for millions of elderly Americans.

But for those Americans, primarily women, who do care for their elderly parents, the government provides no support for what is a very costly proposition. A recent cover of *Newsweek* trumpeted the "Daughter Track," the fact that American women will spend an average of 17 years raising children and an average of 18 years caring for elderly parents. The American Association of Retired Persons found that in recent years about 14 percent of caregivers to the elderly have switched from full time to part time jobs and 12 percent have left the workplace altogether.[12]

The same principle that governs the beginning of life applies to the end: families nurture better than government ever can. Although nurturance comes at an economic cost to the family, home care is cheaper than institutional alternatives, which can run to over $22,000 per year.

Thus we should explore the possibility that an increased personal exemption be made available to families who care for an elderly person over the age of 70 in their homes. This involves one more change in the tax law. At present it is very difficult for families to claim elderly persons as dependents. The Treasury Department is currently looking into changing this in order to make it economically feasible for more families to care for their elderly parents. Once again, these changes will cost the government a significant amount of money; but these costs must be measured against the astronomical costs of institutionalization, hospitalization, and professional home nursing care.

An increased "elderly exemption" is entirely consistent with the thesis behind an increased "children's exemption": families are a proven and well tested institution for the raising of young children and for the caring of elderly and infirm. Rather than trying to reinvent the family via government programs, we should simply give the family the wherewithal to function properly.

Expanding the Earned Income Tax Credit

Ordinary tax relief will not help working poor families, in whose ranks can be found more than half of all poor children. In 1988 there were more than 2,900,000 poor American families with children under age 18 headed by someone who was working.

As with the middle class, government help for these families should vary with the number of dependents. Last year the

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[12] *Newsweek*, July 16, 1990, pp. 48-54.

Progressive Policy Institute published a monograph arguing for an expanded version of the current Earned Income Tax Credit. The Earned Income Tax Credit (EITC) wage supplement, once tied to family size, would be the most efficient way of helping working-poor families.

A significant increase in the EITC could help more than half of the nation's poor children. (An expansion of the program is included in the child care legislation currently stalled in Congress.) Moreover, it would be relatively simple and straightforward to redesign the EITC in order to guarantee that any parent working full-time, year-round would be able to support his or her family above the poverty line. This would be a vastly more efficient way of moving families out of poverty than would another increase in the minimum wage, since 85 percent of minimum-wage workers live in non-poor households--and half of all poor workers hold jobs not covered by the minimum wage.[13]

Converting the current EITC program into a guaranteed "working wage" for poor families would require that the wage supplement be set at the level required to fill the gap between full-time, year-round minimum wage earnings and the poverty line, given the size of the family. Therefore, the benefit would grow with the number of hours worked and the number of children being supported. It would also require reducing the amount of complexity now associated with using the EITC.

The Joint Committee on Taxation has estimated that such a working wage could be established at a direct federal cost of about $4 billion more than the current EITC program.[14] Given the disappointing record of other, more bureaucratic anti-poverty efforts, this would be a small sum for what it could deliver: lifting one million full-time working poor families out of poverty, including one of every five poor children in America.[15]

Divorce Law Reform

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[13] The authors are indebted to Dr. Robert J. Shapiro of the Progressive Policy Institute for the analysis summarized here, which originally appeared in "An American Working Wage: Ending Poverty in Working Families," (Washington, D.C.: Progressive Policy Institute Report No. 3, February 1990.)

[14] The calculations of poverty-level income assume that all working-poor families receive the food-stamp allotments for which they currently qualify. One hundred percent food-stamp participation would add $4 billion to the cost of the effort.

[15] Shapiro, op. cit.

In Part I we explained why it is normatively appropriate for society to establish distinctions in its treatment of families with and without children. One prime candidate for this strategy of differentiation is the law of divorce. In this section we propose the following changes. First, the child support system should be federalized in order to ensure that payments are actually made. Second, the bases for awarding payments should be reformed to take into account the cost of motherhood to women's earning capacity and the existence of children in a household. And finally, we propose looking at braking mechanisms in the divorce law for parents considering divorce (but not for childless couples.)

Twenty years ago, the state of California put into law the much heralded "no-fault" divorce. It was supposed to end the use of the courtroom as a battleground and to end some of the more humiliating and culturally obsolete grounds for divorce. Other states rapidly followed. No-fault divorce was and is a sensible and important reform for married couples without children. But for families with children no-fault divorce has been, as the sociologist Lenore Weitzman shows, a disaster and a driving force behind the feminization of poverty.

> Divorce has radically different economic consequences for men and women. . . . divorced men experience an average 42 percent rise in their standard of living in the first year after the divorce, while divorced women (and their children) experience a 73 percent decline.[16]

It is difficult to overemphasize the significance of Weitzman's findings. The large gap in the economic circumstances of men and women after divorce was calculated assuming that the father actually made his child support payments, which, of course, is far from universal. The real gap between husbands and their wives and children post divorce is almost certainly larger than the already substantial gap Weitzman calculates.

Even after the limited federal and state reforms of the 1980s, the child support system is a mess. More than one-third of all absent fathers simply ignore their legal obligation to support their children, and many others pay only a fraction of what they owe. The average annual payment for those who do pay is only $2,300, and

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[16] *The Divorce Revolution: The Unexpected Social and Economic Consequences for Women and Children in America* (New York: The Free Press, 1985), p. 323.

many use delays or arbitrary reductions in support payments to achieve other bargaining objectives *vis-a-vis* the custodial parent. If a reasonable level of collections and payments were achieved, absent fathers would contribute at least $25 billion more each year than they do today.[17] And if the system were made less discretionary and more uniform, a major source of uncertainty, conflict, and distress for custodial parents would be removed.

Parental responsibility for children does not cease simply because of divorce, separation, or out-of-wedlock birth. And, as David Ellwood argues, to enforce this basic moral proposition, we ought to take a page from the tax system and create a far more uniform and straightforward method of child support. The major steps toward reform he recommends and we endorse are these:

> o Society would commit itself to identifying every child's father and mother. In the future, the Social Security numbers of both parents would appear on each child's birth certificate.
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> o All absent parents would be expected to contribute a portion of their income, and the portion would vary with the number of children they fathered or bore.
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> o Payments would be collected by employers, just like Social Security taxes, and remitted to the federal government, which would then send this money directly to the custodial parent. All absent parents would be included, not just delinquents. Failure to pay would be an offense comparable to tax evasion.[18]

By itself, of course, rigorous enforcement of child support decrees will not be enough. Realistic assessments of what happens to

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[17] David Ellwood, *Poor Support: Poverty in the American Family* (New York: Basic Books, 1988), p. 159.

[18] *Ibid*, pp. 163-165. States are experimenting with a variety of child support enforcement innovations. Arizona, like Massachusetts, is moving to tie the award of state professional licenses to punctual child support payments. Minnesota is beginning to accept other states' enforcement orders as is, without the traditional extra in-state hearings. Other jurisdictions are offering amnesty periods for overdue payments, followed by police roundups of tardy fathers.

women's earnings once they become mothers are important in determining an adequate level of support for the child. Women enter marriages earning less than men for a whole host of reasons including sex discrimination and employment in low-paying "female" fields. But if in the course of their marriage they have become mothers, they leave marriages earning substantially less than men. As Weitzman points out, "marriage--and then divorce--impose a differential disadvantage on women's employment prospects, and this is especially severe for women who have custody of minor children. The responsibility for children inevitably restricts the mother's job opportunities by limiting her work schedule and location, her availability for overtime, and her freedom to take advantage of special training, travel assignments, and other opportunities for career advancement."[19]

Thus divorce law reform must recognize that in the courts' new concern for parental "equality," children may suffer. A principle of equality is obviously appropriate in those divorces where the woman is childless. But in those cases where children are present, reform must take into account the impact of motherhood on a woman's earning capacity as well as the per capita expenses of the household with women and children.

As Mary Ann Glendon, a leading American student of the law of divorce, has observed:

> When almost three-fifths of all divorces in the United States involve couples with minor children, it is astonishing that our spousal support law and marital property law treat that situation as an exception to the general rule.
>
> A 'children first' principle should govern all such divorces. . . . the judges' main task would be to piece together, from property and income and in-kind personal care, the best possible package to meet the needs of the children and their physical guardian. Until the welfare of the children had been adequately secured in this way, there would be no question or debate about "marital property." All property, no matter when or how acquired, would be subject to the duty to provide

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[19] *Ibid.*, p. 342.

for the children.[20]

Finally, a thorough reform of divorce law must go beyond even questions of economic support. Because of the shattering emotional and developmental effects of divorce on children, it would be reasonable to introduce "braking" mechanisms that require parents contemplating divorce to pause for reflection. There is trans-Atlantic precedent for such procedures. A report from Britain's Law Commission has recommended that such couples "notify the courts of their intention and then spend at least nine months resolving crucial details of the divorce. Their first obligation would be to decide the future of their children before settling questions of property and maintenance. Only then could couples return to court for a divorce." As one recent account notes, "By encouraging parents to look at the consequences of a family breakup rather than at the alleged cause or excuse for it, the commission hopes couples will improve their prospects of saving the marriage."[21]

Encouraging Parental Responsibility

Obviously, the state has limited ability to make adults into good parents. Nevertheless there are things in addition to economic support that can be done to reinforce the parental role. We recommend that the federal and state governments evaluate the success of the several new approaches to this problem described below.

Sometimes parents may have to be held responsible in civil law for the criminal actions of their children. California's STEP Act (Street Terrorism Enforcement and Protection) makes it a misdemeanor for parents to knowingly permit their children to be involved in gang activities. In other instances, parents may be fined for failing to provide the minimum standard of parental authority with regard to a child's education. Last year in Arkansas for example, three new laws were enacted providing for civil penalties against parents whose children have excessive school absences and against parents who fail to attend school conferences at which a plan to help their child master basic skills is presented.[22]

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[20] *Abortion and Divorce in Western Law* (Cambridge, Massachusetts: Harvard University Press, 1987), pp. 93-95.

[21] Marilyn Garner, "Putting Children First--the New English Precedent," *Christian Science Monitor*, March 30, 1990.

[22] Act 70 and Act 474 of the Third Extraordinary Session of 1989 Arkansas Legislature.

Nowhere, however, is the issue of parental responsibility more acute than with the thousands of mothers who use drugs during pregnancy, with disastrous consequences for their offspring and society. States and localities must reverse the practice whereby most drug rehabilitation centers now refuse to take pregnant women.[23] In fact, the opposite must take place: pregnant women must be given priority in treatment centers and when they do not seek treatment on their own the state must be empowered to force them into treatment. Mandatory treatment on the front end, during pregnancy, even if achieved through direct state intervention, is far preferable to prosecution and separation after the child is born. This strategy could improve significantly the health of these children and the parenting skills of the mother. Waiting until the child is born and then taking the child from the mother into the limbo of the foster care system is a policy which is at its heart, anti-family.

The Family Friendly Workplace

The private sector cannot be left out of any discussion of family policy. Slowly but surely, businesses are learning that they are dependent on female employees, and that dependence will only grow as the composition of the labor force continues to change in the 1990s. Several studies have now confirmed what employers have known for some time: a large number of personnel problems are related to child care problems that affect parents. These problems mean real dollar costs to industries and businesses all over the United States.[24]

In response to the growing awareness that the labor force has a fundamentally different set of concerns from that of years past, employers are:

- o developing family leave policies,
- o making available flex time arrangements,
- o offering dependent care plans either through on site day care or through area day care providers which they subsidize,
- o offering sick child care,
- o offering time off to attend teacher conferences,

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[23] Susan Diesenhouse, "Drug Treatment is Scarcer Than Ever for Women," *The New York Times*, July 7, 1990, Section E, p. 26.

[24] For a review of these studies see: *Employers and Child Care: Benefiting Work and Family* (Washington, D.C.: U.S. Department of Labor, 1989), p. 7.

o making home based employment possible for those employees whose jobs lend themselves to such arrangements.

This last suggestion (telecommuting) has great potential, especially in those businesses which employ hundreds of employees, the majority of whom are women, in repetitive data processing tasks. The federal government, which as one of the nation's largest employers led the way in the use of flex-time schedules, should begin to offer telecommuting options to qualified interested employees. (In addition to the parenting advantages that telecommuting provides for families with small children, it offers economic and environmental advantages for society because it reduces the number of commuters.)

And finally, as more and more women enter the work force and become indispensable contributors to the economy, the provision of family friendly workplaces becomes a business necessity justified at the bottom line by the desire to recruit new employees and to keep old and valued ones.[25] The opposition of the business lobby to the very modest proposal in the Family Leave Bill of 1990, vetoed by President Bush, is incomprehensible--especially in view of a 1989 Government Accounting Office (GAO) report on the bill that states: "We believe there will be little measurable net cost to employers associated with replacing workers or maintaining output while workers are on unpaid leave."[26] We strongly endorse the Family Leave Act as a minimum signal to business of what it must begin to do to create a family friendly workplace.

Consistent with our policy orientation in favor of government aid directly to families with children we would add, as a caveat, that there is no need to provide government tax credits or other inducements to businesses in order to encourage them to adopt family friendly measures that in fact serve their own interests. The government should promote the use of such measures in the federal workforce and through the dissemination of information.

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[25] Aetna Life and Casualty found, for instance that, in 1987, 21 percent of the women who left technical positions did so because of family obligations. At American Bankers Insurance Group, the absentee rate for employees who use the company's on-site day care center is 7 percent versus the company wide figure of 17 percent. *Challenges* (Washington, D.C.: Council on Competitiveness, May 1990).

[26] "Parental Leave: Revised Cost Estimate Reflecting the Impact of Spousal Leave," (Washington, D.C.: Government Printing Office, April 1989), p. 2.

Families Under Intolerable Stress
by
Dr. Margaret Beyer

Of all the families we have discussed, those living in severe poverty are the most compromised in their ability to promote their children's development. Instead of increasing the ability of families under stress to nurture their children, public policy--through the foster care, juvenile justice, and mental health systems--has historically favored removing children from the home. As a result of government intervention, at least half a million children are growing up away from their families in foster homes, group homes, psychiatric hospitals, and other residential facilities.[1]

Unquestionably, some children must be immediately removed from dangerous situations. Some children need to be adopted. But as out-of-home placement systems are collapsing across the country, it has become apparent that the well-being of most children requires improving their own families and providing special help to them at home.[2] For many children, separation from families produces lifelong mental health problems.[3]

Lacking effective services for families under extreme stress, it is understandable that the judiciary and mental health and child welfare professionals continue removing neglected, emotionally disturbed, and delinquent children from their communities. It appears best in the short term to place endangered or out-of-control children in foster homes, group homes, residential centers, or hospitals. But as necessary as these placements may be in the short run, they typically cause long-term damage.

This damage is particularly severe for the large number of children who experience multiple placements. As a result of separation from their families, these children become emotionally crippled by the difficulty they experience in trusting others and by their tendency to blame themselves. The more they are moved, the more trouble they have adjusting to yet another set of foster parents or group home staff. The more they are moved, the more they misbehave. This vicious cycle results in a series of unsuccessful out-

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[1] *The Crisis in Foster Care: New Directions for the 1990s* (Washington, D.C.: Family Impact Seminar, 1990).

[2] J. Knitzer, M. Allen and B. McGowan, *Children Without Homes: An Examination of Public Responsibility to Children in Out-of-Home Care* (Washington, D.C.: Children's Defense Fund, 1978).

[3] Margaret Beyer, *Helping Children in Care Overcome Emotional Obstacles to Independence* (Washington, D.C.: American Foster Care Resources, Inc., 1986).

of-home placements at great financial cost to states and profound emotional cost to children. "Jamie" is not atypical:

> 'Jamie' is 13 and has been in seven placements since age 8 when he was removed from home after being beaten by his stepfather. He spent two months in an emergency shelter. Then he and his brother were placed in a foster home. Several months later, the foster parents said they could not handle the two boys and Jamie was moved to another foster home for more than a year. He returned to his mother and stepfather, but was subsequently placed in another foster home. He developed severe temper tantrums and was admitted to a psychiatric hospital for evaluation. Five months later he was placed in a group home. He was 'oppositional and depressed' and was moved to a residential treatment center where he has been for a year.[4]

All of Jamie's placements were outside of his county and most were several hours from his home. He and his family could not receive treatment together. Services were not provided (by either the child welfare or the mental health systems) to his mother and stepfather to improve their ability to handle Jamie's temper tantrums without resorting to beatings.

The day Jamie's father lost his self-control, Jamie was in need of emergency protection. But each of his placements made him less trusting and more angry. His problems worsened as a result of government intervention, and no efforts were made to help the family as a unit deal with its problems. From a long-term child development perspective, it would have been better for Jamie to have been with his family, receiving intensive family-based services, than to have experienced seven placements.

Intensive family services are expensive, but this expense must be measured against what we are currently spending. Jamie's out-of-home care has cost the government $100,000 ($12 per day for foster care to $300 per day for the psychiatric hospital). And the prognosis for Jamie is frightening. He could remain in costly out-of-home placements in the child welfare system or, if his behavior deteriorates, he could move to the juvenile justice system at a cost of $30,000 to $50,000 a year. At age 18, the odds are that he will graduate into the adult criminal or chronically mental ill populations,

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[4] This case and the following come from the author's clinical work.

with perhaps lifelong societal costs of thousands of dollars for institutional care.[5]

How can we explain our society's continued pursuit of this costly approach when it is so manifestly ineffective? First and foremost, maintaining children in placement is much easier (and in the short-run, safer) than the challenge of helping families under intolerable stress. Faced with the complicated problems of compromised families, child welfare, juvenile justice and mental health professionals opt for the certainty of removing the child. Second, the bureaucratic incentives of these systems have favored removal over prevention. Foster care funds have been virtually an entitlement to states and until recently could not be used to cover the costs of services to families to prevent out-of-home placement.[6]

The tendency to focus on short-term safety while ignoring long-term damage results from the shortage of services to strengthen parenting capacity.[7] The catch-22 nature of the problems caused by this deficiency is apparent in the following case study.

> Four children were removed from their substance-abusing mother's home after two were hospitalized with malnutrition. The court ordered the mother to seek inpatient drug treatment and adequate housing. Since the children were no longer residing with their mother, she was no longer receiving Aid to Families with Dependent Children (AFDC). Without funds, she was not admitted to inpatient drug treatment and she moved into a homeless shelter. The children will probably continue in foster care indefinitely (at a cost of $1,320 monthly),

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[5] Or he could end up as one of the homeless population. In a recent study by Ezra Susser *et al.*, "Childhood Experiences of Homeless Men," *American Journal of Psychiatry*, Vol. 144:12, December 1987, pp. 1599-1601, a team of psychiatrists found that the most striking pattern in interviews of single homeless men in a New York City shelter was "the high frequency of a history of institutional separation from the family during childhood."

[6] According to Martha Burt and Karen Pittman of The Urban Institute: "The AFDC legislation significantly eased the burden of substitute care costs for states, but because few demands were placed on states to either justify or limit foster care, and limited federal effort was devoted to encouraging the use of alternative services, this open-ended source of funds reinforced the premature and often prolonged use of foster care as a solution to family problems." *Testing the Social Safety Net* (Washington, D.C.: The Urban Institute, 1985), p. 28.

[7] Margaret Beyer and Wallace Mlyniec, "Lifelines to Biological Parents: Their Effect on Termination of Parental Rights and Permanence," *Family Law Quarterly*, Vol. XX, No. 2, Summer 1986.

waiting for their mother to receive drug treatment and find adequate housing which she cannot do without financial assistance.

The government should have provided services to this parent before the children had to be removed. After emergency removal, the government should have had the services necessary to enable this family to function. The four children of this mother would prefer being with her to being in foster care; for children love their birth parents, no matter how inadequate, and want a special love from their birth parents which they believe is preferable to nurturance from even loving foster parents or other care givers.[8]

Because the services to improve this mother's parenting are not available, the children remain away from home much longer than necessary to protect them. They feel depressed by the loss of their mother and blame themselves for their removal. They loyally defend their mother from the competition with the foster family. These vulnerable children cannot go home but they are equally unable to benefit--in the long run--from government intervention supposedly guided by their best interests.

New Concepts in Service Delivery

The importance of children from troubled families having permanent homes instead of drifting from placement to placement motivated the passage of the Child Welfare and Adoption Assistance Act of 1980. In most states the number of children in out-of-home care decreased, their stays were shortened, the quality of foster homes was improved, and permanent adoptive homes for children who could not return to their families were found more efficiently during the 1980s.[9]

But in the past several years, child welfare systems (and mental health and juvenile justice systems as well) have been deteriorating once again. The number of children in out-of-home care is increasing, in part because of increases in drug-exposed

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[8] Vera Fahlberg, *Attachment and Separation: A Workbook* (Michigan: Craft Adoption Training Project, Michigan Department of Social Services and Spaulding for Children of Michigan, 1979), and Margaret Beyer, "Emotional Problems of Neglected Children", *Adoption Resources for Mental Health Professionals* (Pennsylvania: Mental Health Adoption Therapy Project, 1986.)

[9] The 1980 Act is now Public Law 96-272. See *Making Reasonable Efforts: Steps for Keeping Families Together* (Washington, D.C.: National Council of Juvenile and Family Court Judges, Child Welfare League of America, Youth Law Center and the National Center for Youth Law, 1988).

newborns, family violence, and homelessness. The number of caseworkers trained to respond to these complex family problems is insufficient, and in many states their caseloads are unmanageable. Meanwhile, federal funding cuts have reduced other needed family services. Finally, as the emotional and educational needs of children in care have grown, so has the importance of training qualified foster parents, of whom there is a shrinking pool in every state.

These system breakdowns are apparent from the number of states (Oklahoma, Alabama, Florida, and Maryland, to name a few) in which the child welfare, mental health and juvenile justice systems have been sued by advocates for the lack of adequate services for children and their families. Only 37 states were in compliance with the 1980 child welfare act ten years after its passage.[10]

Reform of the child welfare system must be guided by the goal of preserving families.[11] This is consistent with the policies promoted earlier in this paper, and with the premise that government functions best when it helps families function properly. In Congress the movement to shift the focus of child welfare towards families is being spearheaded by Congressmen Tom Downey of New York and George Miller of California, principal authors of The Family Preservation Act.[12] By tackling some of the bureaucratic problems that have resulted from fiscal inflexibility and departmental turf wars, the bill would make funds available for family services.

The Family Preservation Act is an important first step because for some time now federal policy has lagged behind our knowledge of how to reach families effectively. The goal is to improve the family by providing the support necessary to enable adequate parenting to occur *before* the child's safety becomes an issue. And the key to this goal is services delivered *in the home*.[13] As one study has shown, home-based programs have the potential to make real and lasting changes:

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[10] *Op Cit, The Crisis in Foster Care: New Directions for the 1990s.*

[11] See *Recognizing and Realizing the Potential of 'Family Preservation'* (Washington, D.C.: Center for the Study of Social Policy, 1988.)

[12] The bill proposes reforms to Title IV-B and Title IV-E of the Social Security Act and Title XX and XIX (medicaid) which will make it easier to spend money on special services for children and families.

[13] See Kristine Nelson, Miriam Landsman and Wendy Deutelbaum, "Three Models of Family-Centered Placement Prevention Services," (Iowa: University of Iowa, National Clearinghouse for Home-Based Services to Children, 1989).

> Compared to families who were not given these services, home-visited clients had fewer low birthweight babies and reported cases of child abuse and neglect, higher rates of child immunizations, and more age-appropriate child development.[14]

Long-term home-based services allow counselors and educators to spend several hours a week in the home building on the family's strengths, helping parents learn how to be more nurturing and to set more effective limits for the child. Without taking over the family's functions, home-based programs can help teenage parents meet their children's needs for consistency and non-punitive discipline. Illiterate parents can be taught to recognize their children's needs for early stimulation. Substance-abusers can be given the support they need to become sober parents. Home-based services can be designed to meet each family's different needs and can be provided as many hours a week as required.[15]

Such services are costly, especially for state and local agencies currently overwhelmed by the large number of severely disturbed children the system has helped to create. But in the short run, we must identify at-risk families and spend money on intensive home-based services because this is the only way, in the long run, to break the cycle of costly, lengthy, and damaging out-of-home placements.[16] Instead of becoming the parent, the best way for the state to care for the child is to invest in the family.

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[14] *Home Visiting: A Promising Early Intervention Stategy for At-Risk Families* (Washington, D.C.: General Accounting Office, July 11, 1990), p. 3.

[15] John McKnight, "Regenerating Community," *Social Policy*, Winter 1987.

[16] Some states have taken the lead in putting together various combinations of federal, state, local, and private funds for new kinds of family services. Iowa re-allocated foster care funds for family services and combined categorical funds from day care, foster care, residential care, and other child and family service programs to reach families. New York and New Jersey have earmarked state prevention funds for family preservation. California counties now allocate up to 10 percent of their out-of-home placement budgets to family services. Using new state funds and out-of-home placement funds, Michigan added a new line item in the child welfare budget for family services. Shared funding by human services and mental health services support innovative family services in Tennessee.

Conclusion

by

Elaine Ciulla Kamarck and William A. Galston

In Part Two of this report, we have offered the elements of a progressive family policy for the 1990s, a policy that puts the family at the center of our thinking about social policy and children at the center of our thinking about the family. The adoption of these proposals would, we are convinced, do much to diminish the acute stresses now experienced by many American families, increase their stability and enhance their capacity to nurture children who can lead satisfying and productive lives.

As important as any specific proposal--indeed, as all of them taken together--is the general framework from which they flow. We offer not only a new family policy but also a new way of thinking about that policy--a progressive alternative to the aging and increasingly sterile debate between traditional liberals and traditional conservatives.

The family is, we contend, both an economic and a moral unit, and neither economics nor values taken by themselves can provide an adequate basis for family policy. Two-earner families are frequently necessary and even desirable (in this we agree with many liberals), but two-parent families are typically best for children (in this we agree with many conservatives).

Government programs cannot fully substitute for healthy families and should not try. But government should work to stabilize families and to increase their child-rearing capacity, goals that require the provision of substantial resources. Such public action must, however, go hand in hand with the discharge of parental responsibility--obligations that do not cease just because the legal bond between husband and wife happens to have been severed. And because breach of parental responsibility has such profound consequences for children and for society as a whole, public authority is justified in intervening to compel its performance.

This, then, is our framework for a progressive family policy. We do not claim that it resolves or can resolve every question. But it does, we believe, provide the best available basis for a comprehensive reconsideration of family policy. This debate is long overdue. For while our political system has been paralyzed, our nation's children have suffered.

It is time to break the logjam and get to work. It is time to find common ground and build upon it. It is time, above all, to put our children first.

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